

## Cancellation of Foreign Currency Conversion Exemption for Foreign-Owned Company

On 13<sup>th</sup> July 2022, the Central Bank of Myanmar (“**CBM**”) issued the Letter No. FE-1/739 to cancel the exemption of the compulsory foreign currency conversion for companies registered with the Directorate of Investment and Company Administration (DICA) with 10% or more of foreign ownership (“**Foreign Companies**”).

The CBM also issued the Letter No. FE-1/754 on 15th July 2022 to order the authorized dealer banks in Myanmar to covert foreign currency held in the foreign currency accounts of companies registered with the DICA with up to 35% foreign ownership (“**Local Companies**”) into MMK.

According to these two letters, both the Foreign Companies and the Local Companies are required to convert foreign currency in their foreign currency accounts into MMK within one working day as required under the CBM Notification No. 12/2022.

However, the foreign currency conversion exemption still applies to following entities:-

- companies operating with the MIC permits issued by the Myanmar Investment Commission (“**MIC**”);
- companies operating in the Special Economic Zone companies;
- companies operating in the Sino-Myanmar and Thai-Myanmar border trade;
- international organizations;
- International Non-Governmental Organizations (INGOs);
- Union Ministries;
- International airlines;
- International freight forwarders companies;

Shipping line companies, Freight forwarding services, or Ground handling services company.



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